

Service Date: October 12, 1990

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Pass Through )	UTILITY DIVISION
of Fees Levied on Regulated Com- )	
panies for Funding the Department )	DOCKET NO. 90.10.65
of Public Service Regulation. )	ORDER NO. 5507

INTERIM ORDER

Section 69-1-402, MCA, provides for funding of the Department of Public Service Regulation by a fee on all regulated companies (as defined in § 69-1-401(2), MCA). The Department of Revenue notified the Public Service Commission of the tax rate which will be effective for the period beginning July 1, 1990. Section 69-1-403, MCA, requires that the Public Service Commission (Commission) "by separate order authorize each regulated company to fully recover in its rates and charges, on an annual basis, the fees levied ...." This Order is being issued pursuant to that requirement.

Order No. 5420, issued August 3, 1989, authorized regulated companies to increase rates and charges for an annual period from August 29, 1989 through August 28, 1990. The currently authorized rate is .18 percent (.0018).

The applicable rate for the tax period beginning July 1, 1990 is .16 percent (.0016). In order to permit full recovery of the PSC fees, it is the Commission's intention to permit all affected regulated companies to reflect this tax rate in their revenue

requirement as of August 29, 1990. Coordination with the existing annual recovery period will avoid multiple rate variations and administrative expense.

As necessary, all regulated companies that pay the PSC fee may file tariffs reflecting the .16 percent tax rate. This means that overall, and considering the expiration of Order No. 5420 on August 28, 1990, companies currently collecting the .18 percent increase authorized in Order No. 5420 will be required to decrease their rates by .02 percent (.0002).

The rate applicable to municipally owned regulated companies is .06 percent. § 69-1-403, MCA. This is also the rate authorized in Order No. 5420 for the preceding tax period. Municipal utilities currently collecting the tax, therefore, should require no tariff changes.

The Commission notes that, as of August 28, 1989 the authorization granted to regulated companies by Order No. 5420, to recover the former tax rate of .18 percent (.0018), will expire. Those regulated companies whose current rates are premised in part upon this tax rate are required to file new tariffs reflecting the expiration of this authorization. It is assumed that these same companies will also implement the increase granted by this order (to reflect the .0016 tax rate) at the same time. However, for regulated companies the filing of tariffs reflecting the increase permitted by this Order is permissive, not mandatory. Regulated companies may choose not to recover the increase in cases where the amount to be recovered would not justify submitting new tariffs. A regulated company may choose to defer implementing tariffs reflecting the increase until a later date (e.g., to coincide with other tariff changes). It should be noted however, that the revenue requirement may not be accumulated. Tariffs must be filed within 15 days of their proposed effective date.

This approved revenue requirement will be effective until August 28, 1991. The Commission believes that a 12 month effective period will insure that regulated companies will recover all fees paid as required by law.

It is the Commission's intention that all regulated services of a regulated company absorb the rate increase proportionately to that service's contribution to the total gross operating revenue generated by the regulated activities within this state. As limited exceptions to this general approach, however, the Commission believes that floors in "flexible band" tariffs need not be exceeded and that special market-based rates need not be increased.

#### CONCLUSIONS OF LAW

Pursuant to 69-3-102 and 69-14-111, MCA, the Montana Public Service Commission has jurisdiction over regulated companies as defined by § 69-1-401, MCA.

The Public Service Commission is required by § 69-1-403, MCA, to allow immediate recovery of the regulated utility fee by each affected company in its rates and charges on an annual basis.

The increased revenue requirement approved herein is a reasonable means of complying with §§ 69-1-402 et seq., MCA.

#### ORDER

As necessary, regulated companies as defined in § 69-1-401, MCA, are authorized to file tariffs reflecting increased rates and charges as of August 29, 1990, consistent with the Findings of Fact contained in this Order. This authorization is permissive, not mandatory and effective dates may, at the companies' discretion, be after August 29, 1990.

Tariffs must be filed within fifteen (15) days of their proposed effective date.

Comments or requests for hearing are due on or before November 16, 1990.

Done and Dated this 11th day of October, 1990 by a vote of 3-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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HOWARD L. ELLIS, Chairman

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DANNY OBERG, Vice Chairman

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JOHN B. DRISCOLL, Commissioner

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REX MANUEL, Commissioner

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WALLACE W. "WALLY" MERCER, Commissioner

ATTEST:

Ann Peck  
Commission Secretary

(SEAL)